



**Director of  
Central  
Intelligence**

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# **National Intelligence Daily**

***Wednesday  
29 July 1981***

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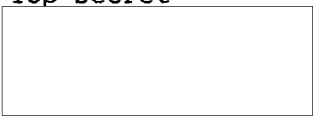
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29 July 1981

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25X1

**Page Denied**



25X1

Contents

Lebanon: *More Cease-Fire Violations* . . . . . 1

Palestinians: *Arafat's Political Gains* . . . . . 2



25X1

Zambia: *Labor Leaders Arrested* . . . . . 4

NATO-Poland: *Views on Party Congress* . . . . . 5



25X6

South Africa: *More Terrorist Bombings* . . . . . 6



25X1

Special Analysis

USSR-Europe: *Prospects for CSCE* . . . . . 7



Top Secret



29 July 1981

25X1

25X1



25X1

LEBANON: More Cease-Fire Violations

*Two Palestinian shellings of the Christian enclave in southern Lebanon yesterday brought to six the number of Palestinian violations since the cease-fire began last Friday.*

25X1

Artillery fire was directed into an area occupied by Israeli troops and the Lebanese Christian militia of Major Haddad. An Israeli military spokesman said Israeli forces did not return fire,

25X1

25X1

The latest violations apparently result from differences among various Palestinian groups over whether Haddad's territory is included in the cease-fire. PLO leader Arafat told UN officials yesterday that he had won agreement from all Palestinian groups that the cease-fire does apply to the territory controlled by Haddad.

25X1

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Israel could quickly resume airstrikes if there were a Palestinian buildup in southern Lebanon or a renewal of Palestinian attacks on Israeli territory.

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Should airstrikes fail to neutralize any renewed Palestinian threat, Israeli forces stand ready to launch a major ground operation to destroy the Palestinians' bases and push their artillery out of range of northern Israel.

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PALESTINIANS: Arafat's Political Gains

*PLO leader Arafat's standing in his organization has been enhanced by the recent fighting in Lebanon.*

Arafat probably believes that adherence to the cease-fire--at least for the near term--is necessary to preserve his gains. He is especially pleased that the crisis has returned the Palestinian issue to the forefront of regional politics. Arafat believes that the fighting in Lebanon has shown the US that PLO involvement is central to stability in the area and that it must be included in any future negotiations.

Arafat has shown that he has the will and capability to sustain attacks on Israel in spite of intense Israeli military pressure. This has improved Palestinian morale and undercut Arafat's hardline critics.

The PLO chief, who is aware that any major cease-fire violations would jeopardize these gains, has ordered a crackdown on recalcitrant Palestinian groups. Nonetheless, the radicals--backed by Libya, Iraq, or Syria--will continue to work for a more confrontational policy toward Israel.

Arafat may attempt to sidetrack the radicals by authorizing increased terrorist attacks in the West Bank. A ranking PLO official told reporters this week that the cease-fire does not apply to "armed struggle" in the Israeli-occupied territories.

Top Secret

29 July 1981

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Top Secret

## ZAMBIA: Labor Leaders Arrested

*President Kaunda's detention on Sunday of four senior labor leaders for inciting illegal strikes in the country's copper belt could prompt new public protests and put additional strain on his shaky political position.* [redacted]

The miners' strikes over the past month disrupted the mining industry, which produces 95 percent of the country's export earnings. The strikes stemmed from disputes over pay and food subsidies. Leaders of the trade union movement, which represents 250,000 of Zambia's 400,000 wage earners, have been at odds with the government for several years. [redacted]

The most important union leader arrested, Frederick Chiluba, has criticized the government for corruption, overspending on Soviet arms, and mismanagement of the economy. Kaunda and party leaders regard Chiluba as the heir to the late Simon Kapwepwe, a dissident leader of the Bemba tribe. Unhappiness with Kaunda among the Bembas, Zambia's largest tribe, is longstanding. [redacted]

[redacted]

A showdown with labor could add to strains in Zambia's relations with the West. In announcing the arrests, Kaunda implied that the labor leaders have been working with the West in trying to "destabilize" his regime. [redacted]

Top Secret

29 July 1981



Top Secret

25X1

NATO-POLAND: Views on Party Congress

The NATO Allies--except the Netherlands--agree that the recent Polish party congress strengthened that party as a whole and First Secretary Kania's hold over it. They recognize that Poland's Communists face severe problems but feel that the legitimacy gained by the newly elected leadership may help it manage its difficult tasks. The Dutch do not believe that the congress produced anything that will help resolve Poland's three major problems--relations with the USSR, party democratization, and economic dislocations.

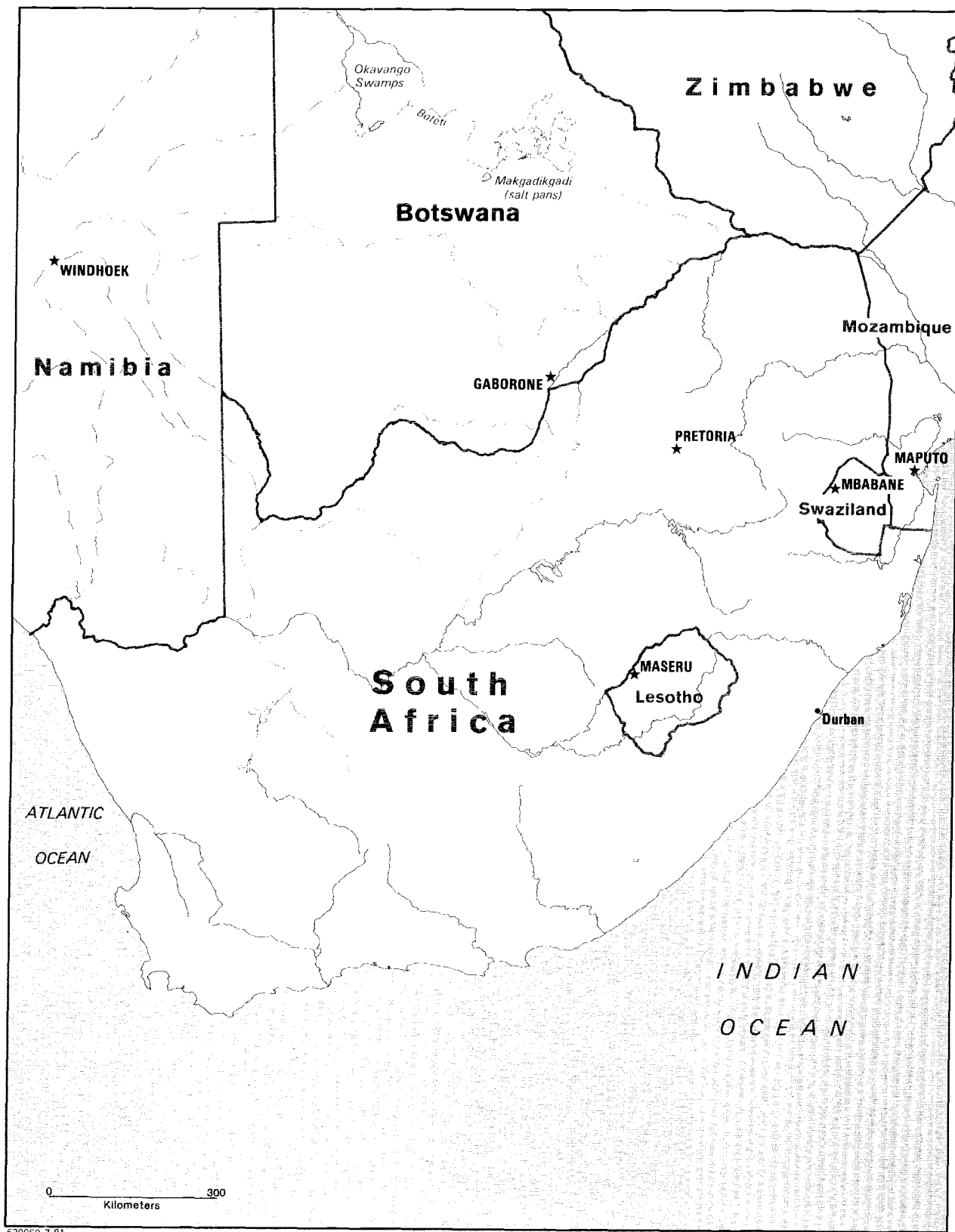
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25X1

29 July 1981



Top Secret

25X1

SOUTH AFRICA: More Terrorist Bombings

The bombings on Sunday of two automobile showrooms in Durban--the first significant terrorist attacks on commercial establishments this year--have heightened white apprehensions and increased the possibility of strong government countermeasures. Seven other acts of sabotage have occurred in the past two months, two of them in Durban. The African National Congress, the primary insurgent group, has claimed responsibility for most of these incidents. The most likely targets for South African retaliatory strikes are insurgent staging areas in Mozambique and the infiltration routes through Swaziland to the Durban area.

25X1

25X1

Top Secret

29 July 1981

25X1

Top Secret

SPECIAL ANALYSIS

USSR-EUROPE: Prospects for CSCE

*The review meeting in Madrid of the Conference on Security and Cooperation in Europe is stalled by East-West dissension on major issues, and it has been adjourned until 27 October. While economic matters are virtually settled, disputes over security and human rights threaten the review meeting and, possibly, the CSCE process itself. Moscow remains adamant in its prescriptions for European security and in its refusal to be called to account for its record on human rights. There is little hope of reaching agreement even after the meeting reconvenes this fall, and the frustrated participants remain undecided on how to end the session gracefully.*

Agreement to convene a European security conference remains Moscow's primary goal at Madrid. The Soviets want a showcase for their commitment to detente and disarmament in Europe but only on their terms.

The USSR and its East European allies continue, for example, to press for an "appropriate" Western response to President Brezhnev's offer to extend application of confidence- and security-building measures to the Urals. The East rejected the West's recent counterproposal to apply CSBMs only to military activities on the continent of Europe and to integral air and naval activities. The Soviets implied they would demand CSBM coverage of US and Canadian territory. Moscow almost certainly would not press such a demand, however, if the West were to agree to apply CSBM provisions to independent air and naval activities in the Atlantic and Mediterranean.

The NATO Allies have not budged from their demands that the mandate for any security meeting be precise, that all CSBMs under discussion be binding, militarily significant, applicable from the Atlantic to the Urals,

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Top Secret

29 July 1981

Top Secret

and adequately verifiable, and that the security conference be linked to CSCE. They refuse to accede to Soviet insistence that the security conference consider vague declarations of political good faith, and they reject Moscow's argument that its agreement to include the entire European USSR in a future CSBM system requires Western counterconcessions. [REDACTED]

#### Human Rights

The West remains committed to balancing a security conference with at least one or two meetings of human rights experts. This fall, delegates from the NATO states will renew their criticism of Soviet human rights policy in order to emphasize that the meeting in Madrid cannot only consider security issues. [REDACTED]

The latest Western proposal in Madrid is designed to demonstrate Western solidarity over the entire range of CSCE issues. Some allies, nevertheless, had earlier indicated displeasure with the strict US position on balancing security and human rights issues and against applying CSBMs to independent air and naval movements. A number of West Europeans are prepared to accept the latter in some form and to drop their insistence on at least one of the human rights meetings. [REDACTED]

The West Europeans would like to try to persuade the US to modify its stance on these and other issues, but recognize that there is little they can do if the US decides to hold its ground. Soviet intransigence and the failure of the nonaligned participating countries to suggest alternatives to the current Eastern and Western positions, however, leave participants little room for maneuver. [REDACTED]

The USSR has made it clear that, at least for the time being, it will not give any more ground on human rights issues. Moscow is uneasy that the West might demand a resumption of the review of human rights compliance when the meeting reconvenes in October. [REDACTED]

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Top Secret

29 July 1981

Top Secret  
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The Soviets have pursued their campaign against domestic political dissidents even in the spotlight of the meeting in Madrid, and the ranks of Soviet human rights activists--including those who monitor the USSR's compliance with the provisions of the Helsinki Final Act--have been decimated. Moscow will work during the recess to draw international attention to security issues and away from human rights. [redacted]

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### Outlook

The Soviets' obstructive approach is intended to erode the Western consensus and secure the defection of nonaligned countries to the Eastern position on the major issues. Failing that, the Soviets apparently are willing to risk scuttling the review sessions, but only with great reluctance would they abandon the entire CSCE process altogether. [redacted]

25X1

Moscow will continue to portray the impasse as the result of US intransigence. The Soviets hope that the West Europeans ultimately will either subscribe to the USSR's version of security and cooperation in Europe or blame the US for the collapse of CSCE. [redacted]

25X1

The Western Allies have not yet decided how to bring the review meeting to a smooth and successful end and how to secure Soviet agreement to schedule another CSCE review meeting. Western delegations believe that Moscow's response to the latest Western proposal has hurt the USSR's standing in Madrid. They hope that the Western governments will not be blamed if the talks collapse this fall. [redacted]

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If the already prolonged discussions at Madrid do not end this year, the frustrated participants may accept a nonaligned suggestion that negotiations continue in experts' meetings that would prepare reports on the major CSCE issues for a new review meeting. This would allow the delegates a respite, provide an interim support system for the CSCE process, and revive some confidence among the nonaligned participants in CSCE. At the same time, it would underscore CSCE failure to reduce over-all East-West tensions. [redacted]

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29 July 1981

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